

SAN GABRIEL VALLEY WATER COMPANY

April 17, 2017

Via electronic mail (WUE@water.ca.gov)

Todd Thompson, P.E.
Water Use Efficiency
Post Office Box 942836
Sacramento, CA 94236

Subject: Comments to Proposed Water Rulemaking for Water Loss Audits and
Water Loss Reporting

Dear Mr. Thompson:

On behalf of San Gabriel Valley Water Company ("San Gabriel"), I am writing to respectfully offer comments on the Proposed Rulemaking for Water Loss Audits and Water Loss Reporting dated February 2017. San Gabriel provides water utility service to a population of over 481,000 in the company's Los Angeles County and Fontana Water division service areas and operates under the regulatory jurisdiction of the California Public Utilities Commission ("CPUC").

As a public utility defined under Section 216 of the Public Utilities Code, and a public water supplier defined under Section 116275 (h) of the Health and Safety Code, San Gabriel will be required to conduct annual water loss audits, validate the accuracy of those audits, and submit them to the Department of Water Resources ("DWR") for review and website posting pursuant to the proposed rule.

The following are San Gabriel's comments and questions relating to the Proposed Rulemaking:

1. Sections 700.3-700.4- San Gabriel is concerned with the level of redundancy and allocations of costs associated with the validation process and validator certifications. These requirements are burdensome and unnecessary. San Gabriel recommends that the validation and validator requirements be removed from the proposed rulemaking.
2. Section 700.4- This section states that a Urban Retail Water Supplier ("URWS") may conduct a water loss audit validation for its own water loss audit provided the person performing the validation meets the requirement described in subsection (a), (b), and (d). Subsection (d) goes on to state that a water audit validator may not conduct a water loss audit validation if they participated in compiling the water loss audit. San Gabriel views

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this section as burdensome and effectively requires URWSs to contract with outside auditors causing further expense.

This requirement is also counter intuitive since the water audit validator will nevertheless be required to consult with the individuals who performed the water loss audit in order to thoroughly comprehend the audit. Additionally, this requirement is inconsistent with the preparation, submittal, and validation procedures of other similar State mandated reports, including but not limited to: Urban Water Management Plans, Annual State Water Resources Control Board Annual Reports, and Annual Consumer Confidence Reports. These reports provide for preparation and submittal to be performed by authorized individuals within a company.

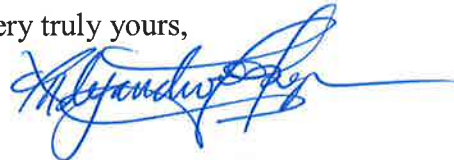
Pursuant to our recommendation in item 1, San Gabriel recommends that this requirement be removed. Alternatively, if DWR determines Section 700.4(d) a compelling requirement, San Gabriel recommends that DWR allow screened employees to conduct the water loss validation.

3. Section 700.5- This section directs an URWS to report annually steps taken to reduce the volume of apparent losses and real losses. Eventually, an URWS will reach optimal water loss mitigation and "successful leakage control." The proposed rule does not define "successful leakage control." DWR should propose and identify qualitative and quantitative methods and/or thresholds to define "successful leakage control."

San Gabriel appreciates the opportunity to provide comments on this Proposed Rulemaking and respectfully requests that all further notices, Draft Rulemaking, and Final Rulemaking be sent to my attention at the following address:

Alejandro R. Reyes, Esq.
Regulatory Compliance Counsel
San Gabriel Valley Water Company
Post Office Box 6010
El Monte, CA 91734-2010

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Alejandro R. Reyes', with a long horizontal flourish extending to the right.

Alejandro R. Reyes, Esq.
Regulatory Compliance Counsel

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